



General Assembly

**Substitute Bill No. 5399**

February Session, 2016



**AN ACT CONCERNING STATE REIMBURSEMENT FOR TAX  
ABATEMENTS AND PAYMENTS IN LIEU OF TAXES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-215 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) Any municipality may by ordinance provide for the abatement  
4 in part or in whole of real property taxes on any housing solely for low  
5 or moderate-income persons or families and may by ordinance classify  
6 the property on which such housing is situated as property used for  
7 housing solely for low or moderate-income persons or families. Such  
8 tax abatement shall be used for one or more of the following purposes:  
9 (1) To reduce rents below the levels which would be achieved in the  
10 absence of such abatement and to improve the quality and design of  
11 such housing; (2) to effect occupancy of such housing by persons and  
12 families of varying income levels within limits determined by the  
13 Commissioner of Housing by regulation; or (3) to provide necessary  
14 related facilities or services in such housing. Such abatement shall be  
15 made pursuant to a contract between the municipality and the owner  
16 of any such housing, which contract shall provide the terms of such  
17 abatement, that moneys equal to the amount of such abatement shall  
18 be used for any one or more of the purposes herein stated, and that  
19 such abatement shall terminate at any time when such housing is not

20 solely for low or moderate-income persons or families.

21 (b) A municipality shall abate the real property taxes, for the period  
22 commencing July 1, 2016, and ending June 30, 2018, on any real  
23 property for which a tax abatement was granted pursuant to  
24 subsection (a) of this section in the fiscal year ending June 30, 2015,  
25 except no abatement shall (1) exceed the value of the tax abatement  
26 granted pursuant to subsection (a) of this section in the fiscal year  
27 ending June 30, 2015, (2) be granted if the housing no longer fulfills the  
28 purposes stated in subsection (a) of this section, or (3) be granted to the  
29 extent to which funds are made available for such taxes by an agency  
30 or department of the United States government.

31 Sec. 2. Section 8-71 of the general statutes is repealed and the  
32 following is substituted in lieu thereof (*Effective from passage*):

33 In lieu of real property taxes, special benefit assessments and  
34 sewerage system use charges otherwise payable to such municipality,  
35 except in such municipalities as, by special act or charter, on May 20,  
36 1957, had a sewer use charge, an authority shall pay each year to the  
37 municipality in which any of its moderate rental housing projects are  
38 located a sum to be determined by the municipality, with the approval  
39 of the Commissioner of Housing, not in excess of twelve and one-half  
40 per cent of the shelter rent per annum for each occupied dwelling unit  
41 in any such housing project; except that the amount of such payment  
42 shall not be so limited in any case where funds are made available for  
43 such payment by an agency or department of the United States  
44 government. [, but no] No payment shall exceed the amount of taxes  
45 which would be paid on the property were the property not exempt  
46 from taxation. For the period commencing July 1, 2016, and ending  
47 June 30, 2018, each municipality that has received a grant-in-aid  
48 pursuant to section 8-216 in the fiscal year ending June 30, 2015, shall  
49 waive any payment required pursuant to this section, except that no  
50 waiver shall be required in any case where funds are made available  
51 for such payment by an agency or department of the United States  
52 government.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	8-215
Sec. 2	<i>from passage</i>	8-71

***Statement of Legislative Commissioners:***

In section 2, the effective date was changed for consistency.

**HSG**      *Joint Favorable Subst.*